United Nations A/C.5/60/SR.62

General Assembly
Sixtieth session

Official Records

Distr.: General
13 July 2006

Original: English

Fifth Committee

Summary record of the 62nd meeting
Held at Headquarters, New York, on Tuesday, 20 June 2006, at 10 a.m.

Chairman: Mr. Ashe ..... (Antigua and Barbuda)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Saha

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06-39536 (E)

The meeting was called to order at 10.15 a.m.

Agenda item 124: Programme budget for the biennium 2006-2007 (*continued*)

Expenditure authorization for the biennium 2006-2007 (A/60/7/Add.40 and A/60/889)

1. **Mr. Sach** (Controller) introduced the report of the Secretary-General on the expenditure authorization for the biennium 2006-2007 (A/60/889), which was submitted pursuant to General Assembly resolution 60/247 A. By that resolution, the Assembly had appropriated an amount of $3,798.9 million for the programme budget for the biennium 2006-2007 and authorized the Secretary-General to enter into expenditure of a first tranche, limited to $950 million, as an exceptional measure. The Assembly had decided that, in order to ensure the availability of resources for programme delivery, it would act in response to a request from the Secretary-General, at an appropriate time, for expenditure of the remaining funds.

2. It was the view of the Secretary-General that the time had now come to request authorization to enter into expenditure above $950 million. Given the current pattern of expenditure, the Organization would run out of cash before mid-July 2006. Some lead time would be required for the Secretariat to implement any decision by the Assembly. The requested authorization would therefore have to be granted by the end of June 2006 in order to avoid significant disruption to the Organization's programmes.

3. **Mr. Saha** (Chairman of the Advisory Committee on Administrative and Budgetary Questions (ACABQ)), introducing the related report of ACABQ (A/60/7/Add.40), said that the Advisory Committee considered that its role should be to elicit from the Secretariat the relevant financial data with a view to determining the availability of resources for programme delivery. The information received was contained in the Advisory Committee's report. On the basis of those figures, it was clear that, under the current circumstances, the Secretary-General would reach the limit of his spending authority before the end of July 2006. The General Assembly might wish to take the foregoing into account when it considered what action to take.

4. **Mr. Kumalo** (South Africa), speaking on behalf of the Group of 77 and China, said that the Group supported the Secretary-General's request and called on the Committee to respond to it decisively and expeditiously. The Group was ready to endorse a decision to lift the spending cap without restriction. The imposition of the cap had undermined trust among Member States and impeded the Organization's work, including the adoption of a draft resolution on development. It had also led to numerous debates about the equal right of all Member States to participate in decision-making at the United Nations, irrespective of the size of their contributions. A decision to lift the cap would lay those questions to rest, as well as demonstrating Member States' commitment to ensuring that the Organization remained financially solvent.

5. During the negotiations on resolution 60/247 A, the Group had understood that the spending cap would be lifted automatically, at the request of the Secretary-General. It had not been aware of any link between the lifting of the cap and the progress of Member States' collective efforts to reform the United Nations. Furthermore, it had been assured that the cap was not intended to harm the Organization. The Controller had indicated that the time had now come to lift the cap, and the Committee should therefore release the remaining funds approved to implement the Organization's programmes.

6. He recalled that, at the Special Ministerial Meeting of the Group of 77 held in Putrajaya, Malaysia, in May 2006, the participants had stated that attempts by countries to use the size of their financial contributions to push for the adoption of certain proposals were counterproductive and violated the obligation of Member States to provide resources for the Organization, in accordance with the Charter of the United Nations. They had also underscored the need to lift the spending cap in order to avoid a crisis at the United Nations. In addition, they had reaffirmed the Group's commitment to United Nations reform, while stating clearly that such reform must not be linked to the issue of the cap.

7. Over the past 10 years, the Secretary-General had served the Organization with courage and vision. Member States should ensure that, in his final months of service, he had the resources necessary to fulfil the mandate bestowed on him by unanimously approving the lifting of the spending cap.

8. **Mr. Kovalenko** (Russian Federation) said that, taking into account the information contained in the

Secretary-General's report and the recommendation of ACABQ, his delegation was ready to permit the Secretary-General to enter into expenditure of the remaining funds approved in the context of the programme budget for the biennium 2006-2007.

9. **The Chairman** said that he had been requested to defer action on the matter so as to ensure that all delegations wishing to make statements on the Secretary-General's report had an opportunity to do so. That would also allow him to conduct consultations with interested Member States.

10. **Mr. Kumalo** (South Africa), speaking on behalf of the Group of 77 and China, said that the Group had no objection to the course of action suggested by the Chairman, which would afford Member States an opportunity to join the consensus and to resolve the issue before the Committee in a constructive and expeditious manner. However, it would be helpful to know which delegations had made the request.

11. **The Chairman** said that it was the practice of the Committee, when it considered issues of such import, to allow as many delegations as possible to make statements. Deferring action on the matter would also enable Member States to engage in consultations with a view to achieving a consensus.

12. **Mr. Kumalo** (South Africa), speaking on behalf of the Group of 77 and China, said that it was his understanding that, in order for an item to be kept open, a request must be made to that effect. The Group wished to know which delegations had made the request and when the Committee would revert to the matter before it. While the Group wished to engage with other delegations, it could not work with Member States that operated in secret. Moreover, it was not helpful for the Committee to conduct its business under a cloud of suspicion.

13. **Mr. Pfanzelter** (Austria), speaking on behalf of the European Union, said that the European Union was committed to transparency, openness and frankness. However, it believed that the Committee would need more time in order to achieve an understanding. Furthermore, it would be helpful if the President of the General Assembly was able to participate in the consultations following his return from Geneva. The European Union trusted that an agreement could be reached that would satisfy all delegations and contribute to building a stronger United Nations.

14. **Mr. Ozawa** (Japan) said that his delegation, too, was committed to transparency. On Wednesday, 14 June 2006, at the invitation of the Chairman of the Group of 77 and China, the delegations of the United States of America, Austria and Japan had participated in constructive informal consultations with the Group. The three delegations had stated that they expected the spending cap to be lifted by 30 June 2006 and stressed their strong desire for a consensus decision on the matter. His delegation would do everything in its power to promote the spirit of cooperation necessary to achieve such an outcome.

15. **Mr. Wallace** (United States of America) said that a number of Member States wished to consult further in order to avoid making a precipitate decision. The Committee should allow them to do so.

16. **Mr. Hill** (Australia) said that the Committee had always operated by consensus. In order to achieve a consensus, delegations must have sufficient time to consult with one another.

17. **The Chairman** said that he would consult with all delegations and groups of delegations. He would update Members on the status of those consultations at the Committee's next formal meeting; the Committee could continue its consideration of the issue of the spending cap at that time. If he heard no objection, he would take it that Members wished to proceed in that manner.

18. *It was so decided.*

The meeting rose at 10.40 a.m.